

for agricultural products, either. If trade agreements are not reached, other sectors of the economy are going to be impacted.

Iowa firms are very active, for instance, in the area of international financial services. Failure to bring trade agreements to conclusion can impact their ability to market their products around the world. Right now, the two most contentious issues in our international trade agreements are agriculture and financial services. And so we have a balance going on.

It is amazing, Mr. Speaker, how an issue like hoof and mouth disease can impact another area before us, such as international trade on financial services. History proves that the free flow of goods around the world is beneficial to our economy. Now is not the time for protectionism. We must have adequate safeguards at our borders, but we must also ensure that we are able to export our agricultural commodities.

And it is not just for our own financial benefit. The Midwest, where I come from, is the world's breadbasket. We supply meat and grains to the world. When we are looking at burgeoning populations around the world, it is very important to prevent famine that we be able to export our goods. All one has to do is look back in history. High tariffs and retaliatory trade practices turned an economic downturn in the 1930s into the Great Depression, pushing unemployment to over 30 percent. We must make sure that our animals stay healthy and that we continue to promote international trade. It is important for the economy.

Mr. Speaker, on a final note, the Bush administration has faced many important decisions in its first few months in office. I think one remaining decision will have long-lasting implications. It involves the oxygenate requirements of the Clean Air Act. The EPA is being asked to waive the requirement for the State of California. I think this would be very damaging if pursued by the administration. I believe the President understands the importance of maintaining the current requirement and that he will choose not to grant a waiver.

I was able to talk to President Bush directly on Air Force One when he flew back to Iowa recently. I talked to the President about the matter of promoting ethanol and banning a chemical called MTBE. This is the oxygenate that is used in gasoline around most of the country. It is an oil-based oxygenate, an oil-based chemical. I think we have to phase that out.

The EPA has determined that this chemical, MTBE, is a ground water contaminant and it is a possible carcinogen. If you take one teaspoon of that chemical and you put it into an Olympic-size swimming pool, it renders all the water in that swimming pool undrinkable. The stench is incredible,

much less what it could be doing to your body once it gets inside.

New York, California and other States have taken action to phase out and ban the chemical. The same action has been taken by major cities like Chicago. That chemical has got to go. It is even getting into Iowa's water supply as it comes out the exhaust tail pipes of cars as they drive across Iowa. The choice then becomes whether we make a sensible transition to a cleaner oxygenate, like ethanol, or just eliminate the clean air standards altogether. The reasonable answer is to turn to ethanol.

Opponents argue that the ethanol industry cannot meet the demand. That is simply not accurate. The ethanol industry's annual capacity now exceeds 2 billion gallons.

My colleague from New Jersey has arrived on the floor. They are even building ethanol plants in New Jersey these days. You do not need to use corn. You can use vegetable refuse. You can use any type of plant material. You can ferment it. You can create the ethanol. It helps that gasoline burn cleaner. It reduces carbon monoxide. We have had a great improvement in our Nation's air supply, and the EPA will tell you that a large part of it has been due to those clean air standards.

We can supply the ethanol. The ethanol industry's annual capacity now exceeds 2 billion gallons. It has added 226 million gallons of capacity in the last year. It will add another 320 million gallons of capacity this year. Over the next 2 years, construction is scheduled to begin on an additional 1.13 billion gallons of additional capacity.

Ethanol has twice the oxygen content of MTBE, and so it will only take half the volume of ethanol to replace it. The Renewable Fuels Association believes that about 580 million gallons of ethanol will be needed to fill the need in California and that we can meet California's target. Ethanol also provides a great benefit to the rural economy.

We are talking about an energy policy. We are talking about how dependent we are on foreign oil. This is a renewable fuel. The United States Department of Agriculture reported last year that replacing MTBE with ethanol would increase farm income more than \$1 billion annually. It would reduce our balance of trade deficit by \$12 billion over the next 10 years. It would create 13,000 new jobs in rural America. It would reduce farm program costs and loan deficiency payments by creating an important new value-added market to our grain. Moreover, the USDA concluded that ethanol can replace MTBE used in reformulated fuels nationwide without price increases or supply disruptions within the next 3 years.

And so I have a bill before Congress. It has a whole bunch of bipartisan sup-

porters for this bill, from all parts of the country. I would encourage my colleagues to sign on to this environmentally sound bill.

Ethanol production is the third largest use of corn in the United States, utilizing about 7 percent of the corn crop. Current levels of ethanol production add 30 cents to the value of a bushel of corn and adds about \$4.5 billion to the U.S. farm economy annually. That will help us, Mr. Speaker, when we are looking at this budget. By creating an additional demand for corn, we can help ensure that the market price will provide a sufficient return on the cost of production to allow the farmer to break even, hopefully even turn a profit. That will lessen the need for Federal support subsidies that are currently needed to keep farmers on the farm. That is beneficial for the producer, it is beneficial for the rural economy, and it is beneficial to the environment.

I have pursued this cause of ethanol along with the gentleman from Illinois (Mr. SHIMKUS). We introduced the Clean Air and Water Preservation Act of 2001. We have been joined by more than 30 Members of Congress who have cosponsored this legislation. Our legislation would phase out MTBE over 3 years. It calls on the EPA to assist in dealing with groundwater pollution already caused by MTBE. It keeps the oxygenate provisions of the Clean Air Act intact. And it promotes the use of ethanol.

At a time when energy is on the Nation's agenda, let us not ignore the role of ethanol, the clean-burning, home-grown natural fuel source, or the role that agriculture plays in our Nation's prosperity and security.

PRESIDENT BUSH'S ANTI-ENVIRONMENTAL BEHAVIOR

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, I rise this afternoon to highlight some of the serious shortcomings in the Bush administration's environmental arena as it relates to national energy plans.

Last month, President Bush stood before Congress in these very Chambers and spoke to the American people, saying he would pursue alternative energy sources and environmentally sound policies to help solve our energy crisis. In fact, I want to quote the President because he told us, and I quote, "We can promote alternative energy sources and conservation, and we must." He was so right. At the time, I thought the plan sounded too good to be true. Unfortunately, with the recent release of the administration's budget blueprint, I realize that it was too good to be true.

Sadly, the Bush administration's budget blueprint reneges on the commitments the President made to pursue renewable energy sources. Headlines in the Washington Post and other newspapers across the country have stated the administration's intent to cut energy efficiency and renewable energy R&D and technology development programs by 35 percent. That is unacceptable, Mr. Speaker.

This is especially frustrating because in this Congress we have an impressive group of bipartisan support for renewables. As the lead Democrat on the Subcommittee on Energy of the Committee on Science, I am personally working with the gentleman from Maryland (Mr. BARTLETT), the chairman, to promote environmentally sound priorities.

Mr. Speaker, if the 35 percent cut in the blueprint were to go through, it would seriously hamper efforts to develop improved and lower cost solar energy; it would hamper wind power investment, bioenergy and geothermal energy technologies.

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This is where our Federal priorities must be, not in increasing our dependence on fossil fuels, as the administration appears to want in its policies.

It is said that actions speak louder than words, Mr. Speaker. That is why I am outraged. But I am not surprised. I am not surprised that the administration's commitment to environmentally friendly sources of energy lasted only as long as the television cameras were rolling.

I say to our President, now is not the time to cut funding for national energy efficiency and renewable energy programs. Now is the time to increase the investment. Proposing to cut funding for vital energy efficiency and renewable energy programs would be a step in the very wrong direction, and it would be a serious blow to the efforts that we hope to take to craft a sensible national energy policy.

In my district, as well as across California, consumers and businesses are facing electric and gas bills two or three times higher than those of last year. California is facing an electricity reliability crisis that threatens our State's economy. What we need is responsible energy policy that includes significant investment in clean energy sources to supplement electric supply, and we also must recognize the need to reduce demand for electricity by promoting and using more efficient energy technologies. These are programs that will protect our environment and leave a better future for our children.

Since passing the National Energy Policy Act in 1992, Congress has generally ignored energy issues; but the power problems in California, as well as the increased price of natural gas and oil throughout our entire Nation,

have brought energy back to the top of our Nation's agenda. The energy shortage we are experiencing in California is proof enough that Congress must raise the stakes in search of alternative energy sources. Obviously, what we are doing now is not good enough.

As Congress and this administration forges a long-term energy plan, it is imperative that we make a true commitment to alternative energy sources, efficiency, and conservation to prevent future energy crises and to protect our environment. Measures of this kind can work. For example, in my district two of my counties are working to make sure we have more energy-efficient programs, programs that must be modeled for the rest of the country.

ADDRESSING IMPORTANT ENVIRONMENTAL ISSUES

The SPEAKER pro tempore (Mr. SHIMKUS). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I woke up this morning and I read on the front page of USA Today that President Bush is doing a terrible job on highly significant environmental issues. I suppose that is no surprise to my colleagues here in the well or here in the House Chambers.

Yesterday the Bush Administration abandoned more stringent restrictions on the amount of arsenic allowed in tap water. Arsenic is a known carcinogen, I think many people know. The week before, President Bush broke a campaign promise to the American people that he would work to reduce carbon dioxide emissions; and carbon dioxide is, of course, a greenhouse gas that causes and is a major factor in global warming.

I also read in the paper this morning that the Bush administration is planning to restrict new mining limits in the next few days. Of course, we have not heard about that yet, but it sounds like just another indication that this administration is essentially anti-environment.

Mr. Speaker, I ask, what is the President going to do for the special interests tomorrow? I do not think there is any person, average person, or any group of concerned citizens, that asked the President to abandon these more stringent restrictions on the amount of arsenic in water. I doubt very much that there was a group of citizens who told him he should go back on his campaign promise and not regulate carbon dioxide emissions.

This is coming from the special interests. This is coming from the corporate special interests, oil interests, mining interests, coal interests, who contributed to the President's campaign and who now are calling the shots with this

administration at the White House on these very important environmental issues.

The reason that I am so concerned about it, Mr. Speaker, is because we are talking about the health and the safety of the average American, the air we breathe, the water that we drink. These are not environmental issues that we have any doubt about what the impact is going to be. We know that if these carbon dioxide emissions are not regulated in some way, that a lot more people will get sick from the air. We know that if the arsenic levels are not reduced in drinking water, that a lot more people will get cancer from arsenic.

So it is really almost mind-boggling to think that this administration, in such a short time, has come down so hard, if you would, on the side of those who would seek to deregulate or weaken, or certainly not improve, environmental regulations that need to be improved.

Let me talk initially, if I could, about the carbon dioxide change that the President had. He did not change his position on carbon dioxide until four Republican Senators sent a letter to him on March 6. Until that time, not only during the campaign, but even in the first few months we heard from the EPA administrator, Christine Whitman, the former Governor of New Jersey, my former governor, that a consensus had been essentially built in the White House, in this administration, to regulate CO₂. But after that letter was sent on March 6, the President broke his promise, because special-interest lobbyists pressured him to do so. We know that Vice President CHENEY basically pulled the rug from under the EPA administrator and insisted in his capacity as the chairman, I guess, of this new Energy Task Force that carbon dioxide not be regulated.

But, again, I think this is symptomatic of what we are going to see with this administration, broken promises on protections that we need for the environment and for the American people. I hope it does not continue, but every indication is that it will.

Let me briefly mention, Mr. Speaker, about the carbon dioxide emissions, because I want everyone to understand that the reduction in carbon dioxide that myself and other environmentalists support is not a crazy idea that is just supported by a bunch of eco-freaks. In fact, numerous large multinational corporations have adopted company-wide targets to cut global warming pollutants that include carbon dioxide.

One of President Bush's most loyal supporters, the Enron Corporation, has urged the President to create a credit-trading system for carbon dioxide in a manner very similar to a bill I introduced in Congress and that I will be reintroducing shortly, where we use a